



OFFICIAL GAZETTE

GOVERNMENT OF GOA, DAMAN AND DIU

EXTRAORDINARY

GOVERNMENT OF GOA, DAMAN AND DIU

Law and Judiciary Department

Notification

LD/1/30/69-Part A

In exercise of the powers conferred by Section 64 of the Goa, Daman and Diu Chit Funds Act, 1973 (Act No. 16 of 1973), the Lieutenant Governor, Goa, Daman and Diu, hereby makes the following rules, namely:—

CHAPTER I

Preliminary

1. **Short title and commencement.**— (1) These rules may be called the Goa, Daman and Diu Chit Funds Rules, 1974.

(2) They shall come into force at once.

2. **Definitions.**— In these rules unless the context otherwise requires:—

(a) "Act" means the Goa, Daman and Diu Chit Funds Act, 1973 (Act No. 16 of 1973);

(b) "Form" means a form in Appendix I to these Rules;

(c) "Section" means a Section of the Act.

CHAPTER II

Constitution and Registration

3. **Subject Matter of bye-laws.**— The bye-laws shall provide for the following matters, namely:—

Scheme of the Chit.

(a) The objects of the chit;

(b) Place where the chit is proposed to be conducted and the Registrar within whose jurisdiction it is situated;

(c) Chit amount;

(d) Total number of tickets in the chit;

(e) Total number of instalments and the amount of subscription payable for each instalment;

(f) Minimum number of tickets or the minimum fraction of a ticket and the maximum number of tickets, if any fixed, for which subscription can be made by a subscriber;

(g) Date of commencement and termination of the chit.

(2) Foreman.

(a) If the foreman is not a firm or a Corporation, the name father's name or mother's/husband's name, age, occupation and permanent address of the foreman;

(b) If the foreman is a firm, the name of the firm and the names of each one of the partners of the firm and the other particulars mentioned in sub-clause (a), of each partner thereof.

(c) If the foreman is a Corporation, the name of the Corporation, its registration number and the name and situation of its registered office.

Provided that if the foreman is a firm or a Corporation a true copy of the entry in the Register of Firms or of the registration certificate as the case may be, duly certified by the Registrar of Firms or the Registrar of Companies shall be produced with the bye-laws before the Registrar. The true copy of the entry in the Register of Firms or the registration certificate shall be retained by the Registrar along with the bye-laws in his office.

(3) Rights of the foreman.

(a) Right, if any, reserved to the foreman to obtain the chit amount at any specified instalment without any auction drawal or tender;

(b) The rate of commission or remuneration;

(c) To transfer the right of defaulting subscribers to other existing subscribers.

Note: the bye-laws of every chit shall contain a condition that every substituted subscriber shall execute the chit agreement and have it filed by the foreman with the Registrar before the drawing of the instalment next to the one at which the substituted subscriber concerned participated.

(d) Lien of the foreman on the amounts due to prized subscribers, for the subscription due to chit payable by each subscribers;

(4) Duties of the foreman.

(a) Duty of foreman to specify the date and place for the payment of the prize amount to the prized subscribers;

(b) Details of the arrangements made for the investment of funds including the undisbursed amount due to the prized subscribers, arrears of subscription collected from substituted subscribers, and future subscriptions from defaulting prized subscribers;

(c) Name of the approved banks into which all the moneys relating to the chit shall be deposited under the provisions of the Act;

(d) Description and kind of security offered by the foreman for running the chit with right reserved to change or substitute the security subject to the previous sanction of the Registrar;

(e) Nature and kind of audit of accounts proposed and the person by whom the balance sheets are to be audited with reference to section 16.

(f) Date, time and place for the examination of chit records under section 36 and the fee payable therefor;

(5) Subscription.—Place of payment and last date for payment of each instalment;

(6) Time and place of drawal, auction or receipt of tender and the maximum and minimum amount of dividend, if any, fixed in respect of each instalment;

(7) Dividend: Information as to how assessed and how distributed among the subscribers;

(8) Mods of determining the successful bidder;

(9) Procedure to be adopted when there are no bidders or when there is a tie between the bidders;

(10) Persons competent to bid at each instalment;

(11) Penalties and fines imposed, if any, on defaulting subscribers;

(12) Provision made for the payment of subscription due from a defaulting subscriber till a substituted subscriber takes his place.

(13) Provision made for the transfer of the ticket of non-prized subscribers and of the interests of the foreman;

(14) Procedure to be adopted on the death of a subscriber before the termination of the chit;

(15) Procedure for the continuance of the chit in the event of (i) the death of the foreman or his becoming of unsound mind, if the foreman is an individual; (ii) the dissolution of the firm if the foreman is a partnership firm; and (iii) the winding up of the company, if the foreman is an incorporated company;

(16) Procedure to be adopted for meeting the expenditure connected with the execution of chit agreement, the security bond to be executed by prized subscribers, release of security and any other matter relating to the chit;

(17) Such other matters incidental to the conduct and management of the chit as may be deemed necessary.

4. Application for registration of bye-laws.—Every application for the registration of the bye-laws shall be made to the Registrar by the foreman in Form No. 1 and it shall be accompanied by the fee set out in Appendix 11.

5. Certificate of Registration.—The Certificate of registration to be issued under sub-section (4) of section 3 shall be in Form II.

6. Registration number of bye-laws.—Every set of bye-laws registered under the Act shall be numbered serially by the Registrar in separate series for each calendar year.

7. Communication of order of refusal to register bye-laws.—If the Registrar refuses to register the bye-laws of a chit, he shall record his reasons for such refusal in writing and communicate a copy of the order to the applicant.

8. Registration of amendment or abrogation of bye-laws.—(1) No alteration or abrogation of the bye-laws of a chit shall have effect unless such alteration or abrogation is registered. If the foreman makes any alteration to the bye-laws, he shall submit the alteration in duplicate to the Registrar duly signed and attested by two witnesses along with an application for the registration of such alteration.

(2) An application to register an alteration of the bye-laws shall be dealt with in the same manner as an application to register the bye-laws.

9. Date of effect of amendment to bye-laws.—An amendment to the bye-laws of a chit shall not take effect from a date earlier than the date of registration of such amendment, unless otherwise ordered by the Registrar:

Provided that the Registrar shall not give effect to the amendment from a date earlier than the date of application for the registration of the amendment.

10. Place of conducting chit.—A chit shall be conducted only at the place specified in the registered bye-laws of the chit.

11. Particulars to be contained in the chit agreement.—The chit agreement shall, in addition to the particulars mentioned in Section 5, contain full and complete particulars on the following points;

(1) The Registrar with whom bye-laws have been registered;

(2) Registration number and date of registration of the bye-laws;

(3) (a) If the foreman is not a firm or a corporation the name, father's name or mother's/husband's name, age, occupation, and permanent address of the foreman;

(b) If the foreman is the firm, the name of the firm and names of each one of the partners of the firm and the other particulars specified in sub-clause (a) in respect of each partner thereof;

(c) If the foreman is the corporation, the name of the corporation, its registration number and the name, and situation of its registered office;

(4) Chit Amount;

(5) Time and place at which the period within which every prized or non-prized subscriber shall pay his subscription;

(6) If the prized subscriber at a drawing is to be ascertained by auction or tenders, provision for determining the prized subscriber when there are no bids for tenders;

(7) Persons who can bid or participate in the drawal and the rights of the participants if they are nominees of subscribers;

(8) Whether non-prized and unpaid prized subscribers will get their contributions to the chit on the termination of the chit without any deductions;

(9) Particulars of the security given or deposited by the foreman under section 12 with the right reserved to change or substitute the security subject to the permission of the registrar;

If immovable property is offered as security, full description of the property and if the security is in the form of cash or movables, the place or bank wherein they are deposited and if Government securities, their nature and value. The value of the security shall be given in each case;

(10) Period within which subscription of each instalment is payable and the fine or penalty, if any for belated payment;

(11) Nature and kind of audit of accounts proposed and the person to whom the audit of balance-sheet is to be entrusted with reference to section 16;

(12) Date, time and place for the examination of chief records under section 36 and the fee payable thereof;

(13) The manner of security to be furnished by prized subscribers for the due payment of future subscription;

(14) Whether the subscribers to the agreement undertake to abide by the by-laws of the chit.

12. Form of certificate of commencement of chit business. — The certificate of commencement referred to in section 7 shall be in form No. 111.

13. Form of certificate referred to in sub-section (2) of Section 8. — The certificate to be filed under sub-section (2) of section 8 shall be in Form No. IV.

14. Form of minutes of proceedings. — The minutes of proceedings of every drawing shall in addition to the particulars specified in sub-section (2) of section 10 contains full particulars on the following points:

(1) Particulars of deposits, if any, of money under sub-section (1) and (2) of section 14 since the date of the previous drawing;

(2) Particulars of deposits if any, of money under sub-section (3) of section 21, section 22 and sub-section (4) of section 26 since the date of previous drawing;

(3) Amount withdrawn from the approved bank (the name of the bank to be specified) and the purpose for which the amount was withdrawn since the date of previous drawing;

(4) How the prized subscriber was ascertained as per the terms of the chit agreement and particulars of ticket and prize amount. If the ascertainment of the prized subscribers related to fraction of a ticket, particulars in respect of each such fraction shall be entered;

(5) Full particulars of the commission paid to the foreman and the amount of dividend assigned to each subscriber;

(6) Name of subscribers or their authorised agents who bid at the drawing, their ticket numbers and signature.

15. Procedure in case of cash deposit or Government securities. — (1) In the case of cash deposited in an approved bank and transferred in favour of the Registrar under sub-clause (i) of clause (b) of sub-section (1) of section 12, the receipt or the pass book issued by the approved bank shall be delivered to the Registrar. The Registrar shall inform the approved bank that security amount has been deposited in the bank in pursuance of section 12.

(2) In the case of Government securities transferred in favour of Registrar under sub-clause (ii) of clause (b) of sub-section (1) of section 12, the Registrar shall keep them in safe custody under his control.

16. Security in the form of other movable property. — (1) The kinds of movable property for the purposes of the proviso to sub-section (1) of section 12, shall be either gold or silver in the form of bullion or manufactured articles.

(2) The foreman shall deposit any movable property, referred in sub-rule (1) in any approved bank and submit the receipt together with the certificate of valuation of such property by the bank to the Registrar. The Foreman shall make the necessary arrangements with the bank to make the property so deposited available as security for the proper conduct of the chit. The Registrar shall inform the bank that the movable property has been deposited in pursuance of section 12.

17. Substitution of security. — (1) During the currency of the chit, foreman may apply in form No. V to the Registrar for permission to substitute the security given by him for the proper conduct of the chit by fresh security.

(2) The Registrar may grant the permission after satisfying himself —

(i) that the request of the foreman for the substitution of the security given under section 12 is for reason to be stated in the application; and
(ii) that the fresh security offered is adequate.

(3) The procedure prescribed in rules 15 and 16 shall apply mutatis mutandis to substituted security given by the foreman under this rule.

18. Procedure on accepting fresh security. — (1) On the acceptance of the substituted security by the Registrar and on the receipt of the bond or registered mortgage deed executed in favour of the Registrar as trustee the Registrar shall return the bond or mortgage deed relating to the original security with an endorsement of cancellation made and signed by him with the date of such cancellation.

(2) The Registrar shall, if so required by the foreman, execute and register a deed of release in respect of the original security at the cost of the foreman.

(3) If the original security to be returned is movable property in the form of cash, gold or silver (bullion or manufactured articles) deposited in any approved bank or Government securities, the Registrar shall arrange to return the security offered by the foreman after making endorsements of re-transfer in the pass-book, receipt, Government security or other record, as the case may be.

19. Application for release of security. — On the termination of a chit, the foreman may apply to the Registrar for the release of the security given by him.

20. Declaration by foreman. — An application for release of security under rule 21 shall contain a declaration separately signed by the foreman stating that the claims of all the subscribers have been fully satisfied and that all dues payable by the foreman under the Act to the Registrar or any other officer have been paid.

21. Procedure for release of security. — (1) The Registrar may for the purpose of sub-section (6) of section 12, call upon the foreman to produce a copy duly certified to be a true copy, of any register and book of accounts maintained by the foreman and shall, exhibit a notice on his office notice-board stating that the security is proposed to be released and that any person objecting to such release may file with the Registrar his statement of objection, if any, within fifteen days from the date of exhibition of the notice. A copy of the notice in duplicate shall be sent to Revenue Officer in whose jurisdiction the whole or part of the property given as security is situated for exhibition of one copy on the notice-board of his office and retransmission of the other copy with an endorsement of the fact of such exhibition.

(2) If no objections are received within the period specified in the notice, the Registrar shall release the security. The Registrar shall, if so required by the foreman, execute and register a deed of release at the cost of the foreman.

(3) If any objections are received, the Registrar shall enquire into the objections summarily within fourteen days after the date of expiry of the period specified in the notice referred to in sub-rule (1) and record his decision in writing and communicate a copy thereof to the foreman and to the objector.

22. Books and accounts to be maintained by the foreman. — In addition to the book of minutes of drawings mentioned in section 10, every foreman shall keep the following registers and books of accounts:

(1) a register of subscribers in Form No. VI;

(2) a ledger in Form No. VII;

(3) a day book in Form No. VIII;

(4) a receipt book in Form No. IX duly certified by the foreman as to the number of pages in duplicate;

(5) a book containing copies of all notices issued by the foreman to the subscribers;

(6) a file containing the vouchers for payments made by the foreman; and

(7) a file containing documents relating to securities given by the prized subscribers.

23. Accounts to be written up promptly. — (1) Every entry in the register of subscribers, the ledger, or the day book mentioned in rule 22 shall be made as and when the particular event concerned occurs.

(2) On the receipt of any money, a receipt shall immediately be prepared by the foreman in Form No. IX and delivered to the payer.

(3) The foreman shall, at the time of issuing every notice, prepare a copy thereof in the book mentioned in clause (5) of rule 22 certify it to be a true copy, and enter therein under his signature the date of despatch of the notice.

(4) A voucher duly signed by the recipient shall be obtained by the foreman at the time any payment is made to him and such voucher shall be immediately filed in the file specified in clause (6) of rule 22 after due verifications of all the particulars entered therein.

(5) Every document relating to the security given by prized subscribers shall, as soon as it is received, be filed in the file mentioned in clause (7) of rule 22. The file shall contain an index for facilitating the security of the documents.

24. Filing of vouchers. — As soon as each payment is made, the foreman shall obtain a voucher from the payee. He shall verify whether the voucher specifies the purpose for which the payment was received and whether it is properly signed by the recipient and preserve it in the file mentioned in clause (6) of rule 22 after assigning a serial number thereto for each calendar month.

25. Form of balance sheet. — The balance sheet referred to in sub-section (1) of section 16 shall be in Form No. X.

26. When balance sheet is to be prepared. — (1) The balance sheet shall be prepared by the foreman,—

(a) when the duration of the chit does not exceed one year, on the termination of the chit; and

(b) when the duration of the chit exceeds one year on the expiry of every period of twelve months and also on the termination of the chit.

(2) The balance sheet shall be filed by the foreman within two months from the date of expiry of the period referred to in sub-rule (1).

27. Audit by Chit Auditor. — (1) If the foreman desires to have the balance sheet and profit and loss account audited by a Chit Auditor appointed under sub-section (2) of section 52, the foreman shall immediately after the preparation of the balance sheet, make an application for such audit to the Registrar in whose jurisdiction the chit is conducted specifying whether the audit shall be at the premises of the foreman or not and the application shall be accompanied by the fees set out in Appendix II.

(2) The Registrar shall forward the application of the foreman to the Inspecting Officer having jurisdiction, who shall cause the balance sheet and

profit and loss account to be audited by the Chit Auditor as expeditiously as possible. On receipt of the application, the Inspecting Officer shall forward it to the Chit Auditor who shall thereupon call upon the foreman to produce the chit records on such date, time and place as he may fix and the foreman shall produce all registers, books of accounts and other records relating to the chit accordingly and furnish such information and give such facilities as may be necessary or required for the proper audit of the balance sheet and profit and loss account at the time and place fixed by the Chit Auditor.

(3) Notice of not less than seven days shall be given to the foreman as to the date of audit at the premises of the foreman or for the production of registers, books of account and other records relating to the chit, as the case may be.

28. Audit Certificate and report of Chit Auditor to be in quadruplicate. — The chit Auditor shall prepare his report and audit certificate in quadruplicate and shall send one copy to the foreman, the second to the Registrar, the third to the Inspecting Officer and keep the last copy for his own file.

28. Time for filing balance sheet audited by Chit Auditor or by other Auditors. — (1) Where the audit is done by the Chit Auditor, the foreman shall file with the Registrar a copy of his balance sheet and profit and loss account together with the audit certificate, and the auditors report within one month from the date of receipt of the audit certificate and audit report from the Chit Auditor or within four months from the last date of the period covered by the balance sheet, whichever is earlier.

(2) In the case of audit by an auditor qualified to act as auditor of companies under the Companies Act, 1956 (Central Act I of 1956), the foreman shall file with the Registrar the documents referred to in sub-rule (1) within three months of the expiry of the period with reference to which the balance sheet is to be prepared under rule 26.

CHAPTER IV Winding up of Chits

30. Form of petition for winding up and presentation. — A petition for winding up shall contain the following particulars:

- (1) Full name, description, occupation and address of petitioner/petitioners.
- (2) Address of his/their advocate for the service of all notices, process, etc.
- (3) Address of the foreman.
- (4) Particulars of the Chit, —
 - (i) Number and date of registration of bye-laws;
 - (ii) Office where the bye-laws were registered;
 - (iii) The chit amount;
 - (iv) The total number of tickets;
 - (v) The number of subscribers and the number of tickets subscribed by each subscriber;
 - (vi) The number of non-prized subscribers on the date of the petition; and
 - (vii) The number of unpaid prized subscribers.
- (5) Facts on which the petitioner/petitioners rely in support of the petition.

(6) Particulars relating to the decree and execution of other process which has been returned unsatisfied to whole or in part, if the ground of the petition is that execution or other process issued on a decree or order of any Court in favour of any subscriber in respect of the amounts due to him from the foreman was returned unsatisfied in whole or in part.

(7) Full details to show that the condition prescribed in clause (a) of the proviso to section 40 is satisfied if the winding up of the chit is applied for under clause (d) or (h) of section 39 and if the said clause (a) applies.

(8) Whether the previous sanction of the Government has been obtained, if clause (b) of the proviso to section 40 applies. (A copy of the relevant order of Government to be attached).

31. Custody of chit assets and appointment of Receiver and his powers and duties. — (1) On the making of an order for the winding up of a chit, the Court shall send a copy of its order to the Registrar within whose jurisdiction the chit is conducted. The Registrar shall forthwith forward a copy of the order to the Chit Auditor, through the Inspecting Officer under whose administrative control the Chit Auditor is placed with instructions requiring him to take into his custody on behalf of the Court, and the properties, effects, books of account and papers relating to the Chit if a Receiver has not been appointed by the Court. The Chit Auditor shall forthwith take into his custody all properties, effects, and papers relating to the Chit and hand them over to the Receiver as soon as a Receiver is appointed by the Court.

(2) The provisions contained in the Civil Code for the time being, in force in Goa, Daman and Diu shall, so far as may be, apply to the appointment of Receivers, their powers and duties in relation to a chit in respect of which a winding up order has been made.

32. Proposals for collection and distribution of chit assets. — (1) The Receiver shall, as soon as possible, settle and submit to Court a statement (hereinafter referred to as the provisional statement) showing —

- (a) the names of subscribers and other persons from whose moneys are due to the chit;
- (b) the names of subscribers and other persons to whom moneys are due from the chit;
- (c) proposals as to how the assets of the chit are to be collected and applied in discharge of its liabilities and
- (d) the amount proposed to be paid to each of the persons specified in the clause (b).

(2) Notice of the preparation of the provisional statement accompanied by a copy thereof shall be published and be served on the petitioner, the subscribers and other persons mentioned by the Court, in such manner as the Court may direct. If the number of persons on whom notice is to be served is large, the notice may in the discretion of the Court, be served on the petitioner only and advertised in one or more daily newspapers. The notice shall specify the date on which objections to the provisional statement will be heard and shall call upon any person having such objections: (1) to submit his statement

of objections and the grounds therefor supported by an affidavit before the date appointed by the Court in this behalf; (2) to appear in person or by advocate on the date of hearing with all the evidence in support of his objections.

33. Set-off to be allowed. — When money is due from the foreman to a subscriber and also from the subscriber to the foreman, the subscriber shall be allowed the net benefit of a set-off.

34. Hearing of objections to the provisional statement. — On the date fixed for the hearing objections under sub-rule (2) of rule 32, the Court shall enquire into the objections and after considering the evidence adduced in support thereof pass orders on the objections and call upon the Receiver to revise, if necessary, the provisional statement in accordance with its orders. The Court shall fix a date by which such revision is to be made and intimate orally or in writing such date to the persons who have appeared in person or through their advocates on the date of the hearing.

35. Final orders of settlement by Court. — (1) As soon as possible thereafter and at least ten days before the date fixed under rule 37, the Receiver shall submit to the Court a fresh list of subscribers or other persons to whom or from whom moneys are due and fresh proposals for the distribution of the available assets of the chit, after making such further enquiry as may be necessary. The Court shall thereupon consider the said list and proposals and approve or modify them in such manner as it considers necessary. The Court shall pass final orders accordingly on the date fixed under rule 37 for the collection and distribution of the assets of the chit. The Court may also pass such orders as may be necessary for the distribution of the available assets in case such assets happen to be insufficient to meet sums which have to be paid to the subscribers.

(2) The final orders passed by the Court under this rule shall be conclusive evidence of the several claims to be met out of the assets of the chits.

(3) Without prejudice to the general powers of the Court to enforce any order passed by it, the final order passed under this rule may be enforced as if it were a decree of the Court in such manner as it may direct.

36. Provision for expenses of Winding up. — In making proposals for the distribution of the assets, the Receiver shall specify the estimated amount of the cost of winding up including the remuneration for the receiver and such other items of expenditure as are incidental to the winding up and such estimated amount shall first be provided for and deducted from the value of the chit assets and the balance amount shall alone be proposed for distribution in the provisional statement and the fresh list mentioned in rules 32, 34 and 35.

37. Filing of final accounts by Receiver. — Upon the termination of the proceedings relating to the winding up, the receiver shall file his final account into the Court. Within fifteen days of such final account being passed by the Court, the balance of money in the hands of the Receiver shall be paid into the Court. The Receiver shall also state how

the balance amount may be disposed of together with his reasons for his proposals. He shall also deposit into the Court all books, accounts and all other records relating to the chit which has been wound up.

(2) The Receiver may thereafter apply to the Court for a certificate of discharge from his duties as Receiver and for the vacating of his recognizance bonds entered into by him and the sureties if any. On receipt of such application, the Court may pass orders of such discharge and vacating of the bonds and for the disposal of the final balance of the Chit assets, if any.

38. Receiver to send copy of final order to the Registrar for custody of Chit Assets etc. — (1) After the affairs of a Chit have been completely wound up and the Court makes an order recording the fact, the Receiver shall send a copy of such order to the Registrar within fourteen days from the date of the order.

(2) On receipt of the copy specified in sub-rule (1) the Registrar shall enter in his books a list of the order passed by the Court.

39. Disposal of Records. — The books and papers of a chit which has been completely wound up and of the Receiver shall be retained and disposed of in such manner as the Court directs.

40. Meetings. — When the number of subscribers is large and the Court whether on application of the Receiver or not at any stage considers that a meeting of all such parties is necessary in order to ascertain their wishes, in any matter, the Court may pass an order for holding such a meeting. The Court may direct the manner in which the time and place at which the meeting shall be held and the Receiver shall convene and hold the meeting accordingly.

CHAPTER V

Fees

41. Table of fees. — The fees payable to the Registrar for the matters specified in section 54 shall be as set out in Appendix II shall be paid in cash.

42. Receipt for fees. — The Registrar shall grant receipts for all fees received by him.

43. Refund of fees. — The Registrar may, with the previous sanction of the Inspecting Officer, refund any fee paid to him in excess of the amount prescribed or any fee that is unearned.

Explanation: The expression "fee that is unearned" in this rule means fee paid in connection with the registration of the bye-laws, the filing of a document or other service to be performed by the Registrar where such registration or filing is not actually effected or the service is not actually rendered.

CHAPTER VI

Miscellaneous

44. Appeal to be in writing. — (1) An appeal under sub-section (1) and (2) of section 55 shall be either presented in person or sent by registered post to the Director of Chits.

(2) The appeal shall be in the form of a Memorandum and shall be accompanied by the original or a certified copy of the order appealed against;

(3) Every appeal shall;

(a) specify the name and address of the appellant and also the names and addresses of the respondents;

(b) state by whom the order appealed against was made;

(c) set forth concisely and under distinct heads the grounds of objections to the order appealed against with a memorandum of evidence;

(d) state precisely the relief which the appellant claims; and

(e) give the date of the order appealed against.

45. Hearing and disposal of appeal.—(1) The proceedings of the Director of Chits shall be summary and shall be governed as far as possible by the provisions of the Code of Civil Procedure for the time being in force in the Union Territory of Goa, Daman and Diu.

(2) On receipt of an appeal, the Director of Chits shall as soon as possible, examine it and ensure that:—

(a) the person presenting the appeal has the locus standi to do so;

(b) it is made within the prescribed time limit; and

(c) it conforms to all the Provisions of the Act and these rules.

(3) In the proceedings before the Director of Chits, the appellant and the respondents may be represented by an agent holding a power of attorney or by a legal practitioner.

(4) The Director of Chits shall, on the basis of the enquiry conducted and with reference to the records examined, pass such order on the appeal as may seem just and reasonable.

(5) Every order of the Director of Chits under sub-rule (4) shall be in writing and it shall be communicated to the appellant and the Registrar concerned.

46. Procedure in certain appeals and applications.—In respect of an appeal under sub-section (4) of section 20 of an application the procedure specified in rules 45 and 46 shall, mutatis mutandis apply.

47. Period of retention of records.—The records of a chit including registers and books of account shall be preserved in the office of the Registrar for twelve years (a) from the date of release of security in the case of chits terminated and (b) from the date when the affairs of the chit are completely wound up in the cases dealt with in Chapter IX of the Act and if orders passed under the Chapter are appealable, from the date of disposal of such appeal.

48. Register of Records kept.—Every Registrar shall keep a separate register in which shall be entered particulars of all records relating to the chits registered in his office.

APPENDIX I

FORMS

FORM No. 1

Application for the issue of Certificate of Registration under section 3 of the Goa, Daman and Diu Chit Funds Act, 1973 (Act No. 16 of 1973)

(See Rule 4 of the Goa, Daman and Diu Chit Funds Rules, 1974)

From

...

To

The Registrar of Chits,
(Station)

Sir,

1. † (name) son/wife/daughter of ... (profession or occupation) ... residing at/We (name of the firm or Corporation) situated at ... having the registered office at ... desire to conduct a chit as foreman at (specify the place with postal address).

The chit amount is Rs. ... (Rupees ... only).

2. I/We remit herewith the sum of Rs. ... being the fees for the registration of the bye-laws of the chit.

3. The bye-laws of the chit proposed to be conducted are herewith submitted in duplicate signed by me/us and attested by two witnesses.

I/We request that the bye-laws may be registered and the duplicate copy thereof returned to me/us with the fact of registration of the bye-laws duly endorsed thereon.

Place:

Date: (Signature of the applicant)

+ The particulars should be suitably altered in the case of firms or Corporation.

Note: Strike out the words not applicable.

FORM No. II

Certificate of Registration under section 3 of the Goa, Daman and Diu Chit Funds Act, 1973 (Act No. 16 of 1973)

(See Rule 5 of the Goa, Daman and Diu Chit Funds Rules, 1974)

I hereby certify that the bye-laws relating to the chit proposed to be conducted by (the name and address of the foreman should be filled in here) ... as foreman have this day been registered by me under sub-section (4) of Section 3 of the Goa, Daman and Diu Chit Funds Act, 1973 as number ... of 19...

Station:

Signature of Registrar

Date:

(Seal)

FORM No. III

Certificate of commencement of chit business under section 7 of the Goa, Daman and Diu Chit Funds Act, 1973 (Act No. 16 of 1973)

(See Rule 12 of the Goa, Daman and Diu Chit Funds Rules 1974)

I hereby certify that ... is entitled to commence the business of conducting the chit the bye-laws of which have been registered in my office as number ... of ... 19...

Given under my hand and seal this ... day of ... 19...

Station:

Signature of Registrar

Date:

(Seal)

FORM No. IV

Certificate to be filed with the Registrar under sub-section (2) of section 8 of the Goa, Daman and Diu Chit Funds Act, 1973 (Act No. 16 of 1973)

(See Rule 13 of the Goa, Daman and Diu Chit Funds Rules 1974)

I/We ... the foreman/foremen of the Chit the bye-laws of which have been registered under registration number ... of 19... in the Office of the Registrar of ... certify that I/We have furnished to every subscriber of the chit a copy of the bye-laws of the chit and a copy of the chit agreement duly certified by me/us to be true copies. The copies were furnished to each of the subscribers on ...

The date of obtaining the certificate of commencement granted under sub-section (2) of section 7 is ...

The first drawing of the chit was held on ...

Station:

Date: Signature of foreman/foremen

FORM No. V

Substitution of the Security given by foreman under section 12 of the Goa, Daman and Diu Chit Funds Act, 1973 (Act No. 16 of 1973)

(See Rule 17 of the Goa, Daman and Diu Chit Funds Rules 1974)

1. Name of foreman:

2. Age and occupation if the foreman is not a firm or a corporation:

3. The Office in which the bye-laws of the chit have been registered and the number and year of registration:

4. Chit amount (if a grain chit, market value):

5. Details regarding the original mortgage or bond and if registered, registration number, year and office of original registration:

6. Particulars of the property proposed to be withdrawn from security bond or mortgage with the market value of the property:

7. Details of immovable properties offered as substituted security:

Region: ...
Commune: ...
Village: ...
S. no. ...
Extent: ...
Wet/Dry: ...

8. Rights of the applicant over the property described in item 7:

9. Market value of the property in item 7:

10. Details of all movable and immovable properties belonging solely to the applicant:

11. Whether the applicant has any debt and if so the amount of any such debt and to whom they are due:

12. Details of money, Government securities or other movable offered as substituted security:

I am appending herewith ...

(i) two copies of the draft indenture of mortgage to be executed by me by way of substituted security in favour of the Registrar as trustee for the subscribers of the chit:

(ii) the original documents in support of my title to the property proposed to be substituted as security:

(iii) in the case of immovable property an encumbrance certificate relating to the property for the past 24 years.

I hereby declare that the information and particulars furnished herein are true and correct to the best of my knowledge and belief.

Station:

(Signature of foreman)

Date:

Decision of Registrar.

Signature of Registrar

(Seal)

Received back a copy of the approved draft indenture of mortgage by way of substituted security.

Station:

Signature of foreman

Date:

FORM No. VI

Register of subscribers to be maintained under Section 15 of the Goa, Daman and Diu, Chit Funds Act, 1973 (Act No. 16 of 1973)

(See Rule 22 of the Goa, Daman and Diu Chit Funds Rules 1974)

Office where the bye-laws of the chit are registered.

The Registration number and year of registration of the bye-laws of the Chit

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Serial number as per chit agreement	Name and full address of the subscriber	Chit substituted	Date of signing the chit agreement	Date of receipt of the copy of the chit agreement by the subscriber	Number of tickets	Name and address of the assignee	Date of assignment	Number or fraction of tickets	Amount	Date on which the foreman recognised the assignment	Reasons for the removal of subscribers	Date of removal	Name and address of the substituted subscriber	Date of substitution	Number of fraction of tickets	Amount	Date of intimation of the substitution to the removed subscriber	Remarks

FORM No. VII

Ledger to be maintained under section 15 of the Goa, Daman and Diu Chit Funds Act, 1973

(Act No. 16 of 1973)

(See Rule 22 of the Goa, Daman and Diu Chit Funds Rules, 1974)

Office where the bye-laws of the chit are registered.

Registration number of bye-laws of the chit.

Section I. Receipts and payments in respect of subscriber.

Number of subscribers.

Name of subscriber.

Number of tickets taken.

Chit Amount Rs.

LEDGER

1 Date	2 Number of instalment	3 On what account received or paid by the foreman	4 Amount of subscription for each instalment	Amount paid by subscribers			8 Amount received back by subscribers	9 General number in the day book	Signature of the		
				5 Share amount	6 Interest	7			Subscriber	Foreman	Remarks
				Dividend due to the subscribers for each instalment							

Section II. Deposit and withdrawal account of the foreman.

Office where the bye-laws of the chit are registered.

Registration number of the bye-laws of the chit.

Name of the bank on which money is deposited.

1 Date	2 For what purpose deposited or withdrawn	3 Amount deposited	4 Interest accruing	5 Balance after each transaction	6 Amount withdrawn	7 Balance	8 General number in the day book	9 Signature of the foreman	Remarks		
									Subscriber	Foreman	Remarks

FORM VIII

Day book to be maintained under section 15 of the Goa, Daman and Diu Chit Funds Act, 1973 (Act No. 16 of 1973)

(See Rule 22 of the Goa, Daman and Diu Chit Funds Rules 1974)

Officer where the bye-laws of the Chit are registered ...

Registration number of the bye-laws of the chit

DAY BOOK

1 Date	2 General number	Receipts									Expenditure					
		3 On what account received or paid	4 Subscription	5 Interest	6 Withdrawal from bank	7 Other items	8 Total receipts	9 Reference to receipt book	10 Amount paid to subscriber	11 Foreman's commission	12 Deposit in the bank	13 Other items	14 Total expenditure	15 Balance	16 Reference to the page number of the voucher in the file of vouchers	17 Signature of foreman

Note: 1. The balance should be struck in column () at the close of each day. The monthly total of rupees and expenditure shall be struck at the end of each months.

2. In column () each transaction shall be assigned a serial number. There shall be one separated set of serial numbers for each calendar year.

3. If any amount is received from or paid to more than one subscriber at a time the amount to or received from each subscriber should be entered as a separate item.

4. If more than one amount is received from or paid to the subscriber at a time each amount paid to or received from the subscriber should be entered as separate item.

FORM No. IX

Rs. Ps.

Receipt book to be maintained under section 15 of the Goa, Daman and Diu Chit Funds Act, 1973 (Act No. 16 of 1973)

(See Rule 22 of the Goa, Daman and Diu Chit Funds Rules, 1974)

Receipts

Payment for current instalment ...

Arrears of subscription (with details) ...

Penalty for overdue subscription ...

Fees for inspection of records ...

Other receipts to be specified) ...

Total

Original

Duplicate

Serial numbers

(In words Rupees

and paise)

Received from ... to the credit of amounts detailed below in respect of the Chit under registered bye-law number of 19

Station:

Date:

Foreman.

FORM No X

Balance Sheet to be prepared and filed under sections 16 of the Goa, Daman and Diu Chit Funds Act, 1973 (Act No 16 of 1973)

(See Rule 25 of the Goa, Daman and Diu Chit Fund Rules, 1974)

Office where the bye-laws of the chit are registered.

Registration No. and year of the bye-laws of the Chit.

Date on which the Balance Sheet was prepared.

Name of the foreman.

Number of instalments conducted till date of Balance Sheets.

Chit Amounts.

Number of instalments.

I. RECEIPTS AND EXPENDITURE

Receipts	Current year	Total including previous year	Expenditure	Current year	Total including previous year
	Rs. P.	Rs. P.		Rs. P.	Rs. P.
1	2	3	4	5	6

- Subscription paid by the prized and non-prized subscribers including the foreman.
- Receipts under dividend.
- Interest realised from the subscribers.
- Contributions by substituted or assignee non-prized subscribers in respect of dues of defaulters.
- Any other amount received from subscribers.
- Amount contributed by the foreman for payment of prize amount.
- Interest accrued from investments.
- Other items (Details to be annexed).
- Investments withdrawn.
- Prize amounts disbursed to prized subscribers.
- Interest paid to subscribers.
- Amounts paid to defaulter non-prized subscribers.
- Amount contributed by foreman for payment of the prize amount.
- Foreman's commission.
- Amounts on accounts of interest realised for delayed payments and forfeited dividend.
- Dividend paid.
- Other items (Details to be annexed)
- Total expenditure
- Investments made.

Grand total:

Grand total:

II. STATEMENT OF ASSETS AND LIABILITIES

Assets

Liabilities

- Amount due on account of arrears of subscription due from prized subscribers.
- Amounts due from the subscribers including the foreman towards future subscriptions.
- Interest due from defaulter subscribers.
- Investments in bank (including interest thereon).
- Other items (Details to be annexed).

- Amount paid by non-prized subscribers (including dividend).
- Amounts due to non-prized defaulter subscribers.
- Arrears of prized amount due to prized subscribers.
- The amounts due to the foreman towards contributions made by him for payment of prize amount.
- Other items (Details to be annexed).

Total:

Total:

Rs. Ps.

III. Details of Investments**Receipts**

1. Investment made on account of the failure on the part of prized subscribers to receive the prize amount due to them.
2. Investment made on account of lump sum collections made from defaulter prized subscribers.
3. Amount deposited for payment to non-prized defaulter subscribers.
4. Investment on account of other items of receipts of the chit (Details to be annexed).

Total:

IV. Assessment of Value of Investment

1. Investment in Pass Book Account Number.
2. +Amount due from the future instalments of the chit as per bonds, etc.

obtained for of Rs. instalments of the chit including the from defaulters arrears due on account of defaulting instalments.

3. Balance of contributions due from the foreman on account of prize amount received by him.

Note: To facilitate audit of balance sheets, the three following statements of details should be annexed by the foreman to the balance sheets:

- (i) statement of details of receipts and expenditure for each instalment;
- (ii) of disbursement;
- (iii) of the prize amount in respect of each instalments; and
- (iv) statement of details of arrears due on the date of the preparation of the balance sheet from the prized and non-prized subscribers.

+ Particulars of documents to be entered here.

Security offered by the foreman, hypothecation bonds, etc., executed under section of the Act and hypothecation bonds, etc. obtained from the prized subscribers under section of the Act.

V. Profit and Loss Account

1. Salaries and allowances.
2. Rents, taxes and lighting.
3. Law charges.
4. Postage, telegrams, Telephone and stamps.
5. Registration of bye-laws security bond.
6. Filing of chit agreement, filing of minutes, audit fee, etc., special fee for auditing at foreman's premises.
7. Stationery, printing, advertisement, notice charges.
8. Other expenses.
9. Net Profit.

Total:

Total:

VI. Certificate by Foreman

I certify that this Balance Sheet has been prepared correctly and that it contains a true and complete statement of the affairs of the chit.

Date:

Name of Foreman and Signature.

VII. Certificate by Auditor

Certified that I have examined the chit books and records maintained in respect of the chit the bye-laws of which have been registered in as number 19 conducted by foreman and have verified in the balance sheet with accounts. The balance sheet is drawn up in conformity with the provisions of the Goa, Daman and Diu Chit Funds Act 19 and the rules framed thereunder.

Name and Signature of the Auditor.

APPENDIX II**Levy of fees under Section 54 of the Goa, Daman and Diu Chit Funds Act, 1973**

(See Rule 41 of the Goa, Daman and Diu Chit Funds Rules 1974)

TABLE OF FEES

	Rs. P.
1. For the registration of bye-laws of a Chit under Section 3	25-00
2. For filing a chit agreement under sub-Section (1) of Section (6)	1-00
3. For issue of certificate of commencement of chit business under sub-Section (2) of Section 7.	1-00
4. For filing a copy of the minutes of an instalment under Section 11	1-00
5. For every registration of amendments to the bye-laws of a chit under sub-rule (2) of rule 8 ...	3-00
6. For every appeal to the Registrar by defaulting subscriber under sub-Section (2) of Section 20 ...	3-00
7. A fee of Rupee one shall be levied in each case for filing with the Registrar:	
(a) A copy of each entry relating to the removal of defaulting subscriber under sub-Section (2) of Section 20;	
(b) A copy of entry relating to transfer of the rights of foreman under Section 30;	
(c) A copy of each entry relating to the substitution of a subscriber under sub-Section (2) of Section 21;	
(d) A copy of entry relating to transfer of non-prized subscriber's rights under Section 30;	
(e) A copy of consent of non-prized subscribers and unpaid prized subscribers for withdrawal of a foreman under Section 33;	
(f) A copy of consent of all non-prized subscribers or unpaid subscribers to the termination of chit under Section 33;	
(g) Each copy of winding up order under sub-Section (1) of Section 47;	
(h) Each petition protesting against or objecting to the orders passed or proposed to be passed by the Registrar.	
8. For the audit of each balance sheet under Section 16 of the audit of accounts under sub-Section (4) of Section 52 by the Chit Auditor and for issue of audit certificate in respect of each chit:	
(a) When the Chit Amount does not exceed Rs. 500.	5-00
(b) When the chit amount exceeds Rs. 500. For the first Rs. 500 as under Sub-Clause (a) and for every Rs. 500 or part thereof in excess of Rs. 500 subject to the maximum of Rs. 25.	
The fee leviable under this clause shall not exceed Rs. 25	2-50

9. If the balance sheets are audited under Section 16 or the Chit books and records inspected by the Registrar or any officer authorised by the Director of Chits under Section 38 or the accounts, books and other records of the chit audited by the Chit Auditor under sub-Section (4) of section 52 at the premises of the foreman or outside the office of the Registrar, for each such audit or inspection in addition to the fee, if any, payable under clause 8.

10. For inspection of one or more records relating to a Chit under clause (i) of Section 53, for each inspection.

15-00

11. For every 125 words or fraction thereof a copy or extract of the records relating to a chit furnished under Clause (ii) of Section 53. 0-25

12. For every appeal to the Director of Chits under Section 55. 5-00

By order and in the name of the Lt. Governor of Goa, Daman and Diu.

M. S. Borkar, Under Secretary (Law).

1-00 Panaji, 28th February, 1974.